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### DEPARTMENT OF COMMERCE

**International Trade Administration** 

A-570-928

Uncovered Innerspring Units from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2013-2014

AGENCY: Enforcement and Compliance, International Trade Administration,
Department of Commerce

SUMMARY: The Department of Commerce ("the Department") is conducting an administrative review of the antidumping duty order on uncovered innerspring units ("innerspring units") from the People's Republic of China ("PRC"). The period of review is February 1, 2013, through January 31, 2014. The review covers two exporters of subject merchandise: Comfort Coil Technology Sdn Bhd ("Comfort Coil") and Creative Furniture & Bedding Manufacturing ("Creative Furniture"). The Department preliminarily determines that Comfort Coil had no shipments of subject merchandise during the POR. The Department also preliminarily determines that Creative Furniture did not cooperate to the best of its ability and is, therefore, applying adverse facts available ("AFA") to Creative Furniture's PRC-origin merchandise. Interested parties are invited to comment on these preliminary results.

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit, AD/CVD Operations,
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#### SUPPLEMENTARY INFORMATION:

# **Background**

On February 19, 2009, the Department published in the <u>Federal Register</u> notice of an antidumping duty order on innerspring units from the PRC ("the *Order*").<sup>1</sup> On February 28, 2014, Leggett & Platt, Inc. ("Petitioner") submitted a request for the Department to conduct an administrative review of the *Order* that examines Comfort Coil's and Creative Furniture's exports of subject merchandise made during the POR.<sup>2</sup> On April 1, 2014, the Department published in the <u>Federal Register</u> a notice of initiation of this administrative review of the *Order* concerning Comfort Coil's and Creative Furniture's POR exports of subject merchandise.<sup>3, 4</sup> <u>Scope of the Order</u>

The merchandise subject to the order is uncovered innerspring units composed of a series of individual metal springs joined together in sizes corresponding to the sizes of adult mattresses (*e.g.*, twin, twin long, full, full long, queen, California king and king) and units used in smaller constructions, such as crib and youth mattresses. The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, or 7320.90.5010 of the Harmonized Tariff Schedule of the United

<sup>&</sup>lt;sup>1</sup> See Uncovered Innerspring Units from the People's Republic of China: Notice of Antidumping Duty Order, 74 FR 7661 (February 19, 2009).

<sup>&</sup>lt;sup>2</sup> See Request for Antidumping Administrative Review of the Antidumping Duty Order on Uncovered Innerspring Units from the People's Republic of China, dated February 28, 2014.

<sup>&</sup>lt;sup>3</sup> See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, 79 FR 18262, 18272 (April 1, 2014) ("Initiation Notice").

<sup>&</sup>lt;sup>4</sup> Comfort Coil and Creative Furniture are both located in market economy countries. As a result, the Department is examining each company's respective PRC exports of subject merchandise for this administrative review.

States ("HTSUS"). The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.<sup>5</sup>

Methodology

The Department has conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended ("the Act"). With respect to Creative Furniture, we relied on facts available and, because Creative Furniture did not act to the best of its ability to respond to the Department's requests for information, we drew an adverse inference in selecting from among the facts otherwise available.<sup>6</sup>

For a full description of the methodology underlying our conclusions, please see the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <a href="http://access.trade.gov">http://access.trade.gov</a> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <a href="http://enforcement.trade.gov/frn/">http://enforcement.trade.gov/frn/</a>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

<sup>&</sup>lt;sup>5</sup> For a complete description of the scope of the subject antidumping duty order, *see* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, entitled "Decision Memorandum for Preliminary Results of 2013-2014 Antidumping Duty Administrative Review: Uncovered Innerspring Units from the People's Republic of China" ("Preliminary Decision Memorandum"), dated concurrently with these results and hereby adopted by this notice.

<sup>&</sup>lt;sup>6</sup> See sections 776(a) and (b) of the Act.

<sup>&</sup>lt;sup>7</sup> On November 24, 2014, Enforcement and Compliance changed the name of its centralized electronic service system to ACCESS. The website location was changed from <a href="http://iaaccess.trade.gov">http://iaaccess.trade.gov</a> to <a href="http://iaa

#### Preliminary Determination of No Shipments

Comfort Coil timely submitted a certification indicating that it had no exports, sales, or entries of subject merchandise to the United States during the POR. To corroborate Comfort Coil's no shipments claim, the Department submitted a formal query to U.S. Customs & Border Protection ("CBP"), the results of which did not provide any evidence that contradicts Comfort Coil's claim of no shipments. Moreover, no party commented on Comfort Coil's no shipments claim or the results of the CBP query. Based on the certification of Comfort Coil and our analysis of the CBP information, the Department preliminarily determines that Comfort Coil did not have any reviewable transactions during the POR. In addition, consistent with the Department's practice in nonmarket economy ("NME") cases, the Department finds that it is appropriate not to rescind the review, in part, in these circumstances, but rather to complete the review with respect to Comfort Coil and issue appropriate instructions to CBP based on the final results of the review.

### <u>Preliminary Results of Review</u>

The Department preliminarily determines that a dumping margin of 234.51 percent exists for Creative Furniture for the period February 1, 2013, through January 31, 2014.

#### **Public Comment**

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs not later than 30 days after the date of publication of this notice in the *Federal Register*. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for

<sup>&</sup>lt;sup>8</sup> See Uncovered Innerspring Units from the People's Republic of China: No Sales Certifications Clarifications, dated December 2, 2014.

<sup>&</sup>lt;sup>9</sup> See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694, 65694-95 (October 24, 2011) and the "Assessment Rates" section below.

filing case briefs. 10 Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. 11 Case and rebuttal briefs should be filed using ACCESS.<sup>12</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice in the Federal Register. 13 Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. The Department will issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

#### Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. <sup>14</sup> The Department intends to issue assessment instructions to CBP 15 days after the publication date of the final results of this review. We will instruct CBP to assess duties at the ad valorem margin rate published above. We will instruct CBP to assess antidumping duties on all appropriate entries covered by

See 19 CFR 351.309(d).
 See 19 CFR 351.309(c)(2) and (d)(2).

<sup>&</sup>lt;sup>12</sup> See 19 CFR 351.303.

<sup>&</sup>lt;sup>13</sup> See 19 CFR 351.310(c).

<sup>&</sup>lt;sup>14</sup> See 19 CFR 351.212(b)(1).

this review if any assessment rate calculated in the final results of this review is above *de minimis*. Additionally, pursuant to its assessment practice in NME cases, if the Department continues to determine that Comfort Coil had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's rate) will be liquidated at the PRC-wide rate. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable. The Department will assess duties only on entries of Comfort Coil's and Creative Furniture's PRC-origin merchandise.

## Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) For Comfort Coil, which claimed no shipments, the Department has not established a cash deposit rate in this administrative review, for Creative Furniture, the cash deposit rate will be that established in the final results of this review (except, if the rate is zero or *de minimis*, then zero cash deposit will be required) and the Department will collect cash deposits only on Comfort Coil's and Creative Furniture's PRC-origin merchandise; (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific rate published for the most recently completed period; (3) for all PRC exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 234.51 percent; and (4) for all non-PRC

<sup>&</sup>lt;sup>15</sup> For a full discussion of this practice, see Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694 (October 24, 2011).

exporters of subject merchandise which have not received their own rate, the cash deposit rate

will be the rate applicable to the PRC exporter that supplied that non-PRC exporter. These

deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility

under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping

duties prior to liquidation of the relevant entries during this review period. Failure to comply

with this requirement could result in the Department's presumption that reimbursement of

antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and

777(i)(1) of the Act and 19 CFR 351.213.

Dated: February 13, 2015.

Paul Piquado,

**Assistant Secretary** 

for Enforcement and Compliance.

# **Appendix**

List of Topics Discussed in the Preliminary Decision Memorandum

- 1. Summary
- 2. Background
- 3. Scope of the Order
- 4. Preliminary Determination of No Shipments
- 5. Facts Otherwise Available
- 6. Adverse Facts Available
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